

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 NEA-10 ISO-00 IO-13 AID-05 CIAE-00  
EB-08 FRB-03 INR-10 NSAE-00 USIA-06 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-07 CEA-01 L-03 H-01 PA-01 /112 W  
-----125466 230527Z/15

P R 230330Z FEB 78  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC PRIORITY 6704  
USDOC WASHDC  
AMEMBASSY MANILA  
AMEMBASSY TEHRAN

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E. O. 11652: NA  
TAGS: BEXP, EIND, AF, IR, ADB  
SUBJECT: KANDAHAR CEMENT PLANT: AFGHANS APPROACHASIAN  
DEVELOPMENT BANK (ADB) RE FUNDING

1. ROBERT H. BYRNES, OPERATIONS MANAGER FOR THE ASIAN DEVELOPMENT BANK WHO IS CURRENTLY TRANSITING KABUL, TOLD AMXGRUON#

FEBRUARY 22 THAT GOVERNMENT OF AFGHANISTAN (GOA) HAD ASKED THE ADB TO CONSIDER FUNDING FOR THE KANDAHAR CEMENT PLANT. BYRNES SAID THAT HE HAD AGREED TO TAKE UP THE MATTER WITH ADB MANAGEMENT ON HIS RETURN TO MANILA, BUT THAT HE DOUBTED THE BANK WOULD GO BEYOND \$20 MILLION AND THAT THE LOAN WOULD BE A BLEND OF 1.5 AND 7.65 PERCENT MONEY.

2. THE GOA, ACCORDING TO BYRNES, FOUND THIS QUITE ACCEPTABLE IN PRINCIPLE AND WOULD BE PREPARED TO FINAANCE THE REMAINDER OF THE PROJECT OUT OF THEIR OWN RESOURCES. BYRNES, WHEN ASKED, SAID THAT THIS PRELIMINARY DISCUSSION CONCERNED A ONE THOUSAND-TON PER DAY PLANT, NOT RPT THE SIXTEEN HUNDRED-TON PER DAY PROJECT

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ORGINALLY ENVISAGED.

3. FOR MANILA/ADB. FYI THE CEMENT PLANT IS A PROJECT OF GREAT IMPORTANCE TO US. BID FOR THE ORGINAL 1600-TON PER DAY PLANT WAS WON BY AN AMERICAN PARTNERSHIP HEADED BY THE FULLER COMPANY. FULLER'S CONTRACT WITH THE GOA LAPSED LAST APRIL WHEN THE INITIAL DOWN PAYMENT CAME DUE BUT NO IRANIAN FUNDS WERE FORTHCOMING TO ENABLE

THE AFGHANS TO MEET THE DEADLINE. THIS BECAME A MAJOR  
IRRITANT IN AFGHAN/IRANIAN RELATIONS, ONE WHICH IS STILL NOT TOTALLY  
RESOLVED. WE HAVE BEEN TRYING EVER SINCE TO GET THE PROJECT BACK ON  
THE TRACK SINCE FULLER IS STILL KEENLY INTERESTED. ORGINAL  
PROJECT RAN TO \$50.5 MILLION; WE ARE NOT SURE OF COSTS OF A SMALLER  
PLANT, BUT IT WILL PROBABLY BE PUSHING TOWARD ORGINAL COST  
FIGURE BECUASE OF INTERIM PRICE RISES.  
ELIOT.

NOTE BY OC/T: (#)AS RECEIVED.

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CEMENT, INDUSTRIAL PLANTS, DEVELOPMENT BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978KABUL01493  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780083-0454  
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**Litigation History:**  
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**Message ID:** d6649ed1-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
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**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3508817  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KANDAHAR CEMENT PLANT: AFGHANS APPROACHASIAN DEVELOPMENT BANK (ADB) RE FUNDING  
**TAGS:** BEXP, EIND, AF, IR, ADB  
**To:** STATE COM  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014